OBRA FORMULA FOR FISCAL YEAR 2004/05 NEW ANNUAL FINANCIAL DISCLOSURE REPORT FORMAT

- * Note: As per BBA 97 and BBRA 99, the OBRA limit amounts determined by the formula will be applied:
 - at 175% to public hospitals
 - at 100% to non-public hospitals

Release Date: October 26, 2004

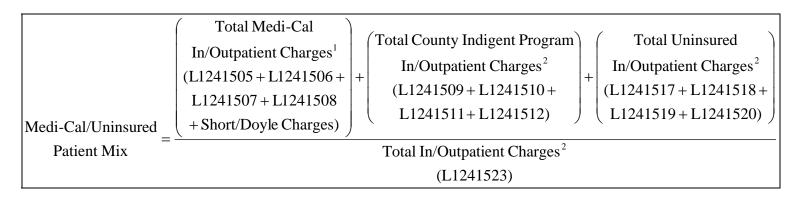
Medi-Cal/Uninsured Expenses

Where,

$$\begin{array}{c} Projected \ Total \\ Hospital \ Expenses \\ For \ FY \ 04/05 \end{array} = \begin{pmatrix} Projected \ Adjusted \\ Hospital \ Operating \\ Expenses \ For \ FY \ 04/05 \end{pmatrix} + \begin{pmatrix} Estimated \ FY \ 4/05 \\ CRRP \ Costs \\ (From \ Survey) \end{pmatrix} - \begin{pmatrix} Medi \ -Cal \ Administra \ tive \\ Activities \\ (From \ Survey) \end{pmatrix} \\ \hline Where, \\ \hline Where, \\ \hline Where, \\ \hline Projected \ Adjusted \\ Hospital \ Operating \\ Expenses \ For \ FY \ 04/05 \end{bmatrix} = \begin{bmatrix} Total \ Operating \\ Expenses \ ^2 \\ (L0820001 \) \end{bmatrix} - \begin{pmatrix} Non \ -Patient \\ Expenses \end{pmatrix} - \begin{pmatrix} CRRP \ Costs \\ For \ FY \ Ending \\ In \ 2002 \\ (From \ Survey) \end{pmatrix} \end{bmatrix} \begin{pmatrix} Trend \\ Factor \end{pmatrix} \\ \hline Trend \\ Factor \end{bmatrix} = \begin{bmatrix} Medicare \ Market \\ Basket \ Percentage \\ for \ FFY \ 2003 \end{pmatrix} \begin{pmatrix} Hospital \ 2002 \ FY \\ End \ Month \\ Adjustment \ Factor \end{pmatrix} + 1 \\ \hline \begin{bmatrix} Medicare \ Market \\ Basket \ Percentage \\ for \ FFY \ 2005 \end{pmatrix} + 1 \\ \hline \end{bmatrix} \begin{bmatrix} Medicare \ Market \\ Basket \ Percentage \\ for \ FFY \ 2005 \end{pmatrix} + 1 \\ \hline \end{bmatrix} \begin{bmatrix} Medicare \ Market \\ Basket \ Percentage \\ for \ FFY \ 2005 \end{bmatrix} + 1 \\ \hline \end{bmatrix} \begin{bmatrix} Medicare \ Market \\ Basket \ Percentage \\ for \ FFY \ 2005 \end{bmatrix} + 1 \\ \hline \end{bmatrix} \begin{bmatrix} Medicare \ Market \\ Basket \ Percentage \\ for \ FFY \ 2005 \end{bmatrix} + 1 \\ \hline \end{bmatrix} \begin{bmatrix} Medicare \ Market \\ Basket \ Percentage \\ for \ FFY \ 2005 \end{bmatrix} + 1 \\ \hline \end{bmatrix} \begin{bmatrix} Medicare \ Market \\ Basket \ Percentage \\ for \ FFY \ 2005 \end{bmatrix} + 1 \\ \hline \end{bmatrix} \begin{bmatrix} Medicare \ Market \\ Basket \ Percentage \\ for \ FFY \ 2005 \end{bmatrix} + 1 \\ \hline \end{bmatrix} \begin{bmatrix} Medicare \ Market \\ Basket \ Percentage \\ for \ FFY \ 2005 \end{bmatrix} + 1 \\ \hline \end{bmatrix} \begin{bmatrix} Medicare \ Market \\ Basket \ Percentage \\ for \ FFY \ 2005 \end{bmatrix} + 1 \\ \hline \end{bmatrix} \begin{bmatrix} Medicare \ Market \\ Basket \ Percentage \\ for \ FFY \ 2005 \end{bmatrix} + 1 \\ \hline \end{bmatrix} \begin{bmatrix} Medicare \ Market \\ Basket \ Percentage \\ for \ FFY \ 2005 \end{bmatrix} + 1 \\ \end{bmatrix} \begin{bmatrix} Medicare \ Market \\ Basket \ Percentage \\ for \ FFY \ 2005 \end{bmatrix} + 1 \\ \hline \end{bmatrix} \begin{bmatrix} Medicare \ Market \\ Basket \ Percentage \\ for \ FFY \ 2005 \end{bmatrix} + 1 \\ \hline \end{bmatrix} \begin{bmatrix} Medicare \ Market \\ Basket \ Percentage \\ for \ FFY \ 2005 \end{bmatrix} + 1 \\ \hline \end{bmatrix} \begin{bmatrix} Medicare \ Market \\ Basket \ Percentage \\ for \ FFY \ 2005 \end{bmatrix} + 1 \\ \hline \end{bmatrix} \begin{bmatrix} Medicare \ Market \\ Basket \ Percentage \\ for \ FFY \ 2005 \end{bmatrix} + 1 \\ \hline \end{bmatrix} \begin{bmatrix} Medicare \ Market \\ Basket \ Percentage \\ for \ FFY \ 2005 \end{bmatrix} + 1 \\ \hline \end{bmatrix} \begin{bmatrix} Medicar$$

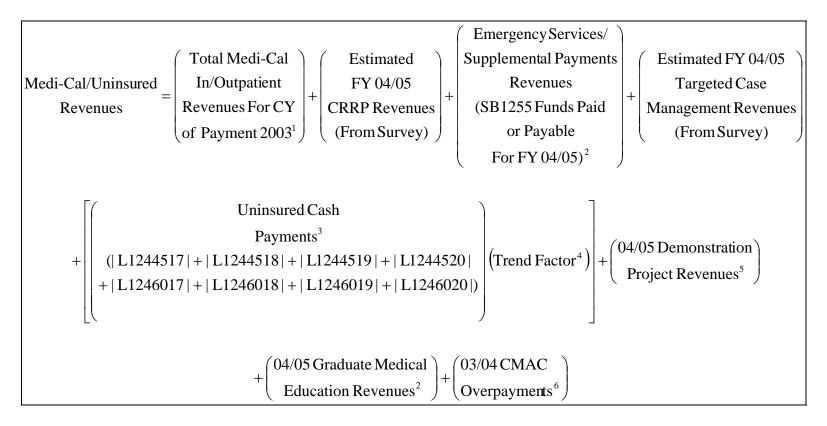
- 1. Demonstration project expenses are determined based on the terms and conditions of an approved federal Medicaid demonstration project.
- 2. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 2002.

(continued next page)



- 1. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 2002 and the OSHPD Confidential Discharge Data files for calender year of service 2002. Medi-Cal Short/Doyle paid claims files for calender year of service 2002 with dates of payment through May 2004.
- 2. From the OSHPD Annual Financial Disclosure Report for the hospital's fiscal year ending in 2002.

Medi-Cal/Uninsured Revenues



- 1. From the Medi-Cal paid claims files, Medi-Cal Short/Doyle paid claims files, Medi-Cal Inpatient Psychiatric paid claims files, the San Mateo, Santa Barbara, Solano, Napa, Orange, Santa Cruz, Monterey, and Yolo (1/2003 to 12/2003) county plans paid claims files and data collected from the Medi-Cal Managed Care plans for calendar year of payment 2003.
- 2. From CMAC.
- 3. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 2002.
- 4. Same as the Trend Factor calculated on page two.
- 5. Demonstration project revenues are determined based on the terms and conditions of an approved federal Medicaid demonstration project.
- 6. Additional 2003/04 SB1255 and/or Graduate Medical Education and/or AB761 payments that caused a hospital to exceed their 2003/04 OBRA payment limit. (Calculated on Excel spreadsheet)